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TO RUEHC/SECSTATE WASHDC IMMEDIATE 4507  
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UNCLAS SECTION 01 OF 02 MEXICO 006820

SIPDIS

SENSITIVE  
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DEPT FOR WHA/CCA

E.O. 12958: N/A

TAGS: [CU](#) [ETRD](#) [ETTC](#) [PREL](#) [MX](#)

SUBJECT: MEXICO: REVIEW FOR SUSPENSION OF TITLE III OF  
LIBERTAD ACT

REF: STATE 191752

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Summary  
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[1](#)1. (U) Post supports continued waiver of Title III provisions of the Libertad Act for Mexico. The Mexican International Development Bank has begun the process of recovering debt from Cuba. Mexico's exports to Cuba have decreased slightly in 2006 while imports increased over 250 percent. Relations under the previous administration were turbulent and President Calderon will likely try to improve affairs, however, Mexico continues to promote respect for human rights in Cuba and in the region. End Summary.

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MEXICAN INVESTMENT IN CUBA  
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[1](#)2. (SBU) The Havana branch of the Mexican International Development Bank, BANCOMEXT, has been closed since 2005. The Bank of Cuba and other entities on the island still have approximately 325 million USD in outstanding Mexican debt. In April, BANCOMEXT won a settlement of 35 million USD from the Bank of Cuba in an Italian Court. BANCOMEXT is looking into using European courts to recover more of the debt.

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BILATERAL TRADE AGREEMENTS  
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[1](#)3. (U) In July 2002 Mexico and Cuba entered into a Complementary Economic Agreement (ACE-51). ACE's are similar to Free Trade Agreements, but only include some sectors. In 2001, Mexico and Cuba signed an Investment Promotion and Protection Agreement (APRI). No new agreements have been signed in recent years.

[1](#)4. (U) Mexico has seen a 25 percent decrease in its trade balance with Cuba for the first 3 quarters of 2006. From January to September 2006, Mexican exports to Cuba were USD 150 million while imports from Cuba were USD 38 million. Though the trade balance is still quite healthy at USD 112 million to date, this represents a 9 percent decrease in exports and a 253 percent increase in imports over the same period in 2005. Comment: Cuba's increased exports may be a one-time event. Half of Cuban investment is located in the provinces of Quintana Roo, Campeche and Yucatan, mostly in the hotel and fishing industries. The large increase in imports from Cuba is likely related to investments to fix damages caused by Hurricanes Wilma. End Comment.

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## Exchange Programs Between Mexico and Cuba

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14. (SBU) According to Ricardo Dominguez, the Secretariat of Foreign Relations (SRE) Director for Cuban, Haitian and Dominican affairs, there are no official exchange programs between Mexico and Cuba. Medical travel to Cuba is usually paid for by individual travelers. From time to time, groups of Cuban teachers work on literacy programs in marginalized areas of Mexico.

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## Promoting Democracy and Human Rights in Cuba

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15. (SBU) GOM officials continue to insist that Mexico prefers to use multilateral fora to discuss human rights issues with Cuba (or other countries), rather than engage the GOC one-on-one. The Mexican Embassy in Cuba eschews engaging with Cuban dissidents or human rights activists, which it believes could be construed as interfering in Cuba's internal affairs. Although the two governments coordinate migration policies, to date they have not reached a formal migration accord. During the past six months, President Fox on at least one occasion publicly called for the Government of Cuba to adhere more strictly to international human rights standards and to permit a more open and democratic political system to develop. Mexican relations with Cuba were turbulent during the Fox administration. Recently inaugurated President Felipe Calderon has said that he will seek a more constructive and less confrontational relationship with Cuba than prevailed under the Fox administration. Nevertheless, we do not expect the new administration to overlook the issue of human rights on the

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island. Shortly before assuming office, Calderon's Secretary of Foreign Relations, Patricia Espinosa Cantellano, acknowledged that Cuba suffered from "a difficult human rights situation, that there are problems that should be addressed, which explains why this subject is brought before international fora."

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## Diplomatic Visits

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16. (SBU) Since the August 10, 2005, appointment of Jose Ignacio Pina Rojas as Mexico's Ambassador to Cuba, Mexico has had an Ambassador resident in Havana. There have been no ministerial level visits to Cuba in the past six months. Mexico was represented at the recent Non-Aligned Movement summit held in Havana by diplomats resident in Havana, and did not send a delegation from Mexico City.

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## Comment

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17. (SBU) Post strongly supports continued waiver of Title III provisions of the Libertad Act. Implementing such provisions will make it harder for Mexico to support human rights advances in Cuba as well as weaken international condemnation of Cuban human rights violations, by adding another polarizing factor to the debate.

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